

## State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

Jim Doyle, Governor  
Matthew J. Frank, Secretary  
Scott Humrickhouse, Regional Director

West Central Region Headquarters  
1300 W. Clairemont Avenue  
PO Box 4001  
Eau Claire, Wisconsin 54702-4001  
Telephone 715-839-3700  
FAX 715-839-6076  
TTY Access via relay - 711

June 12, 2009

### **CERTIFIED MAIL RETURN RECEIPT REQUESTED**

Mr. Robbie Sage, Vice President  
Atlas Resin Proppants, LLC  
N 7500 County Road P  
Taylor, WI 54659

Casetrack No. 2009-WCEE-032  
FID No. 627005280

Subject: **NOTICE of VIOLATION for ALLEGED PERMIT CONDITION  
VIOLATIONS at TAYLOR, WI FACILITY**

Dear Mr. Sage:

This Notice of Violation is to advise you that the Wisconsin Department of Natural Resources (Department) has reason to believe that Atlas Resin Proppants, LLC (Atlas Resin) may be in violation of Wisconsin's air pollution regulations. This Notice is issued pursuant to s. 285.83(1) (a) 1, Stats.

On March 19, 2009, Badger Labs, Inc. tested stack S150, which vents emissions from the Tower "B" resin coating process. This source is was constructed under and regulated by Air Pollution Control Permit N0. 07-JAJ-042 (permit). Sources emitting to this stack include: processes P127, 128, 129, 151, 152, 153 and tanks T131 & T132. Part I, Section I.4.a. of the permit specifies that phenol emissions shall be controlled by a least 54.5% (inlet to outlet of the collector) or that the overall volatile organic compound (VOC) emission control efficiency shall be at least 64%. The stack test determined that the overall control efficiency for phenol was 19.3% and 27.5% for VOC.

Section NR 406.10, Wis. Adm. Code specifies (in part) that anyone that fails to operate a source in accordance with conditions imposed by the Department under s. 285.65 Stats., shall be considered in violation of s. 285.60 Stats. The sources enumerated did not have phenol emissions reduced by at least 54.4% nor were VOC emissions reduced by 64% or more. Therefore, Atlas Resin is believed to be in violation of the above, referenced section of the State Administrative Code and State Statutes.

To address the above alleged violations, the company's consultant has notified the Department that Atlas Resin will be submitting an application for revised phenol permit limitations, to account for the stack test results.

- Please make that submittal within two weeks of receiving this letter to: Mr. Tom Ponty, Air Management Engineer, WI Dept. of Natural Resources, P.O. Box 4001, Eau Claire, WI 54702.

The Department is authorized to seek an injunction or other appropriate relief for air pollution violations, including forfeitures of not more than \$25,000 for each violation, pursuant to s.285.87(1), Wisconsin Stats. Each day of violation is considered a separate offense.

You should be aware that the violations alleged by the Department are also enforceable by the United States Environmental Protection Agency.

If you have any questions about air pollution regulations, please contact Mr. Ponty at (715) 839-3827. Questions about this Notice, or the Department's stepped enforcement process should be directed to me at (715) 839-2789.

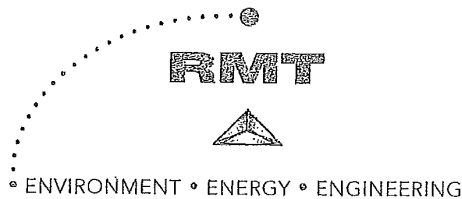
Sincerely,

A handwritten signature in black ink, appearing to read "Robert L. Sloan". The signature is fluid and cursive, with the first name "Robert" being more prominent.

Robert L. Sloan  
Environmental Enforcement Specialist

Cc: Tom Ponty – Eau Claire  
Martha Makhholm – AM/7, Enf.

Ec: Jeff Johnson – Eau Claire  
Mike Scott - LC/8  
Tom Woletz – Eau Claire



June 26, 2009

Mr. Jeffery A. Johnson  
Supervisor – WCR Air Team  
Wisconsin Department of Natural Resources  
1300 W. Clairemont  
P.O. Box 4001  
Eau Claire, WI 54702-4001

**Subject: Application for Operation Permit**

Atlas Resin Proppants, L.L.C., P.O. Box 100, N7530 County Road P, Taylor, WI 54659  
FID No. 627005280  
Permit No. 07-JAJ-042

Dear Mr. Johnson:

Atlas Resin Proppants, L.L.C. (Atlas), completed the construction and initiated the operation process of an additional resin-coated sand production line at its facility near Taylor, in Jackson County, Wisconsin, under Construction Permit No. 07-JAJ-042. On behalf of Atlas, RMT, Inc. (RMT), hereby submits a permit application update, a request for changes to permit conditions, and the facility's Compliance Assurance Monitoring Plans.

**Permit Application Update**

Atlas is requesting that the Wisconsin Department of Natural Resources (WDNR) consider the following permit application updates:

1. Add Raw Silo #3 (P22/C22/S22). This variation in the original design of the process line installed in 2005 (Tower A) provides additional raw sand storage for the facility. Raw Silo #3 is identical to the other four raw sand storage silos (P14, P15, P114, and P115). This change has been discussed with Mr. Tom Ponty. The process has been included in the Air Reporting System database. Application forms describing this equipment are included under Tab Silo S22.
2. Remove the Surge Tank (P54) from the equipment description for Table D. This unit was never used in the existing plant (Tower A) and was removed from the facility some time ago. The permit correctly shows in Table 1 that no surge tank is used in the new plant (Tower B).

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744 Heartland Trail • Madison, WI 53717 • 608.831.4444 • 608.831.3334 FAX • [www.rmtinc.com](http://www.rmtinc.com)

CREATING BALANCE

ARP-Taylor00893

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3. Remove the Jumbo Bagger Surge Tank (P165) and the Bag Scale (P166) from the equipment description for Table H. While Atlas planned to install bagging capacity as a part of their original design, they have since decided not to install this equipment. This equipment was therefore never installed.
4. Ensure that the correct facility address is recognized in the WDNR's permit tracking database. This application provides the correct address, which has changed since Permit No. 07-JAJ-042 was issued. The Switchboard has the new address.

#### Request for Changes to Permit Conditions

Atlas is requesting changes to permit conditions as follows:

1. Add 3.3 lb/hr as a phenol emission limitation that is an alternative to the control efficiency requirement for C50/S50 and C150/S150. Atlas submitted its stack test results for the Tower B scrubber on May 18, 2009. These results showed that phenol emissions were well below the mass emission rate anticipated and relied upon in the permit application for Permit No. 07-JAJ-042 (i.e., 3.3 lb/hr). Nevertheless, Condition I.I.4.a.(3) applies a control efficiency requirement, rather than a mass emission rate limit. With the lower than anticipated inlet VOC and phenol concentrations, the stack test results show that it was difficult to precisely measure the exhaust phenol control efficiency and difficult to achieve a control efficiency of 54.5%. Because the test shows that mass phenol emissions remain low, Atlas requests that the alternative emission limitation be added. This request is not for additional or increased emissions but rather for a different format for the emission limit. No changes to application form information are proposed.

Proposed change to Conditions I.D.4.a.(3) and I.I.4.a.(3):

- (3) The wet scrubber shall achieve one of the following:
  - (a) An overall control efficiency of 64% for VOC emissions, as required under I.I.3.a.(1)(b)(i), or
  - (b) An overall control efficiency of 54.5% for phenol emissions, or
  - (c) A maximum emission rate of 3.3 lb/hr. [s. 285.65(7), Wis. Stats., and 07-JAJ-042]
2. Revise the scrubber pressure drop range, which is currently 10 to 30 inches of water, to 7 to 18 inches of water. Atlas requests this change as a result of operating history and discussions with Mr. Tom Ponty. Further details of the rationale for this new pressure drop range are included in the attached Compliance Assurance Monitoring Plans for Scrubber C50 and for Scrubber C150. Revised forms are attached under Tab Scrubbers S50, S150.

Mr. Jeffery A. Johnson  
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3. Clarify Conditions I.D.1.b.(4) and I.I.1.b.(4) to ensure that the use of a laboratory pH meter demonstrates compliance with pH monitoring requirements. These conditions currently imply that an in-line pH meter will be installed in the scrubber liquor system. Atlas originally installed an in-line pH meter, but experience has shown that an in-line meter is too difficult to maintain for accurate measurements in this process. To comply with Conditions I.D.1.c.(3)(c) and I.I.1.c.(3)(c), Atlas has been sampling the scrubber water and measuring and recording its pH in the laboratory once every 8 hours of operation. The sampling approach has provided accurate pH measurements. The results of pH monitoring are discussed in detail in the attached Compliance Assurance Monitoring Plans for Scrubber C50 and for Scrubber C150.

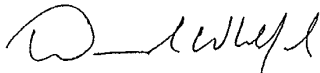
#### Compliance Assurance Monitoring Plans

As required by Conditions I.ZZZ.4.a.(7)(b) and I.ZZZ.4.b.(6), Atlas is submitting Compliance Assurance Monitoring (CAM) Plans for Baghouse C20 and for Baghouse C120 (see Attachment 2) and for Scrubber C50 and for Scrubber C150 (see Attachment 3). These plans were prepared according to guidance documents provided by the WDNR and the United States Environmental Protection Agency.

If you have any questions or need additional information regarding this submittal, please contact me, at (608) 662-5139, or Mr. Robbie Sage, at (715) 662-2200.

Sincerely,

RMT, Inc.



David Whitford  
Project Specialist

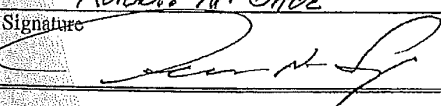
Attachments: Attachment 1: Forms for Permit Application Update  
Attachment 2: Compliance Assurance Monitoring Plans – Baghouses  
Attachment 3: Compliance Assurance Monitoring Plans – Scrubbers

cc: Robbie Sage, Atlas Resin Proppants  
Tom Ponty, Wisconsin Department of Natural Resources

SEE INSTRUCTIONS ON REVERSE SIDE

1. Facility name and mailing address	Name	Atlas Resin Proppants, L.L.C.
	Street or Route	N7530 County Road P
	City, State, Zip Code	Taylor, WI 54659-0100
2. <u>New</u> Parent corporation or Facility name (if name change being requested)	Name	
	Street or Route	
	City, State, Zip Code	
	Country (if not U.S.)	
3. Type of Permit Revision:	<input type="checkbox"/> Administrative	<input checked="" type="checkbox"/> Minor <input type="checkbox"/> Significant
4. Facility identification number:	62700528	5. Permit #(s) to be revised: 07-JAJ-042

6. Describe the proposed revision below (attach additional sheets if necessary). For a Renewal Request for Proposed Condition Changes, list the affected permit conditions here and attach additional sheets with the proposed changes identified.
- Proposed revisions and affected conditions are described in detail in the attached cover letter and updated application forms.

7. SIGNATURE OF RESPONSIBLE OFFICIAL	
A. STATEMENT OF COMPLETENESS I have reviewed this application in its entirety and, based on information and belief formed after reasonable inquiry, I certify that the statements and information contained in this application are true, accurate and complete.	
B. CERTIFICATION OF FACILITY COMPLIANCE STATUS (check one box only) THIS IS ONLY A REQUIREMENT FOR PART 70 SOURCES REQUESTING SIGNIFICANT REVISIONS OR RENEWAL CHANGES.	
<input type="checkbox"/> I certify that the facility described in this air pollution permit application is fully in compliance with all applicable requirements.	
<input type="checkbox"/> I certify that the facility described in this air pollution permit application is fully in compliance with all applicable requirements, except for the following emissions unit(s):  (list all non-complying units)	
Printed or Typed Name ROBBIE M. SAGE	Title VP OF OPERATIONS
Signature 	Date Signed 6/26/09

If this revision is a minor revision, please also complete form 4530-137.

If this revision is a significant revision, please certify the compliance status of your facility above and complete all application forms (4530-100 through 4530-133) which are applicable to this revision.

If this is for a Renewal Request for Proposed Condition Changes, please attach additional sheets as necessary to identify the requested changes.